Sale of drugs at high prices

2492. SHRI MAHENDRA MOHAN:
SHRIMATI MOHSINA KIDWAI:
PROF. ALKA BALRAM KSHATRIYA:
SHRI ISHWAR SINGH:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is aware that several drug manufactures in the country are selling their drugs at a very high price whereas the manufacturing cost is very less;

(b) if so, the facts and details thereof;

(c) whether National Pharmaceutical Pricing Authority (NPPA) proposes to take any action in this regard against such drug manufacturers/ companies; and

(d) is so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SHRIKANT JENA): (a) to (d) Under the provisions of the Drugs (Price Control) Order, 1995 the prices of 74 bulk drugs and the formulation containing any of these scheduled drugs are controlled. NPPA / Govt. fixes or revises prices of scheduled drugs / formulations as per the provisions of the DPCO, 1995. No one can sell any scheduled drug / formulation at a price higher than the price fixed by NPPA / Govt.

The NPPA has fixed / revised the prices of Scheduled bulk drugs in 470 cases and 10253 formulations since its inception. Of these, the prices of 18 scheduled bulk drugs and derivatives and the prices of 1737 formulation packs have been fixed / revised by the NPPA during the period from 1st April, 2009 to 30th November, 2009.

In respect of drugs - not covered under the Drugs (Prices Control) Order, 1995 *i.e.* non-scheduled drugs, manufacturers are at liberty to fix the prices by themselves without seeking the approval of Government / NPPA. Such prices are normally fixed depending on various factors like the cost of bulk drugs used in the formulation, cost of excipients, cost of R&D, cost of utilities / packing material, sales promotion costs, trade margins, quality assurance cost, landed cost of imports etc.

As a part of price monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. The monthly reports of ORG IMS and the information furnished by individual manufacturers are utilized for the purpose of monitoring prices of non-scheduled formulations. Wherever a price increase beyond 10% per annum *w.e.f.* 1.4.2007 (20% prior to 1.4.2007) is noticed, the manufacturer is asked to bring down the price voluntarily failing which, subject to prescribed conditions action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest. This is an ongoing process.

Based on monitoring of prices of non-scheduled formulation, NPPA has fixed prices in case of 27 formulation packs under para 10(b) and companies have reduced price voluntarily in case of 64 formulation packs. Thus in all, prices of 91 packs of non-scheduled drugs have got reduced as a result of the intervention of NPPA.